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HONORABLE WHITMAN L. HOLT

HEARING DATE: October 4, 2023  
HEARING TIME: 2:00 p.m. PST  
RESPONSE DUE: At Hearing  
LOCATION: Telephonic

Bernard D. Bollinger, Jr. (*pro hac vice*  
pending) (CA SBN: 132817)  
Julian I. Gurule (*pro hac vice* pending)  
(CA SBN: 251260)  
Khaled Tarazi (*pro hac vice* pending)  
(AZ SBN: 032446)  
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*Proposed Counsel to Debtors and  
Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF WASHINGTON**

In re:

ICAP ENTERPRISES, INC., *et al.*,  
Debtors.<sup>1</sup>

Chapter 11

Lead Case No. 23-01243-WLH11  
Jointly Administered

**EMERGENCY MOTION FOR  
ENTRY OF AN ORDER (I)  
EXTENDING THE DEBTORS'  
DEADLINES TO FILE SCHEDULES  
AND STATEMENTS OF  
FINANCIAL AFFAIRS; AND (II)  
GRANTING RELATED RELIEF**

<sup>1</sup>The Debtors (along with their case numbers) are iCap Enterprises, Inc. (23-01243-11); iCap Pacific NW Management, LLC (23-01261-11); iCap Vault Management, LLC (23-01258-11); iCap Vault, LLC (23-01256-11); iCap Vault 1, LLC (23-01257-11); Vault Holding 1, LLC (23-01256-11); iCap Investments, LLC (23-01255-11); iCap Pacific Northwest Opportunity and Income Fund, LLC (23-01253-11); iCap Equity, LLC (23-01247-11); iCap Pacific Income 4 Fund, LLC (23-01251-11); iCap Pacific Income 5 Fund, LLC (23-01249-11); iCap Northwest Opportunity Fund, LLC (23-01253-11); 725 Broadway, LLC (23-01245-11); Senza Kenmore, LLC (23-01254-11); iCap Campbell Way, LLC (23-01250-11); UW 17th Ave, LLC (23-01267-11); iCap Broadway, LLC (23-01252-11); VH 1121 14th LLC (23-01264-11); VH Senior Care LLC (23-01266-11); VH Willows Townhomes LLC (23-01262-11); iCap @ UW, LLC (23-01244-11); VH 2nd Street Office, LLC (23-01259-11); VH Pioneer Village LLC (23-01263-11); iCap Funding LLC (23-01246-11); iCap Management LLC (23-01268-11); iCap Realty, LLC (23-01260-11); Vault Holding, LLC (23-01270-11); iCap Pacific Development LLC (23-01271-11); iCap Holding LLC (23-01272-11); iCap Holding 5 LLC (23-01273-11); and iCap Holding 6 LLC (23-01274-11).

**EMERGENCY MOTION TO EXTEND DEADLINE  
TO FILE SCHEDULES AND STATEMENTS AND  
RELATED RELIEF - 1**

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Pursuant to Rule 1007(c) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), Rule 1007-1(a) of the Local Rules of the United States Bankruptcy Court for the Eastern District of Washington (the “LBR”), and section 105 of Title 11 of the United States Code (the “Bankruptcy Code”), the above-captioned debtors and debtors in possession (the “Debtors”) in the above-captioned chapter 11 cases (the “Chapter 11 Cases”), hereby move, on an emergency basis (this “Motion”), for the entry of an order extending and establishing a uniform deadline by which the Debtors must file their schedules of assets and liabilities (the “Schedules”) and statements of financial affairs (the “SOFAs”). In support of this Motion, the Debtors respectfully state the following:

**I. JURISDICTION AND VENUE.**

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b).

2. Venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The bases for relief requested herein are section 105(a) of the Bankruptcy Code, Bankruptcy Rule 1007(c), and LBR 1007-1(a).

**II. STATEMENT OF FACTS.**

**A. General Background.**

4. On September 29 and 30, 2023 (as applicable, the “Petition Date”), the Debtors each filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code before this Court.

5. The Debtors continue to operate and manage their business and affairs as debtors in possession in their Chapter 11 Cases pursuant to sections 1107 and 1108 of the Bankruptcy Code.

6. The Debtors’ business was founded in 2007 by Chris Christensen to invest in real estate opportunities in the Pacific Northwest. The business grew

EMERGENCY MOTION TO EXTEND DEADLINE  
TO FILE SCHEDULES AND STATEMENTS AND  
RELATED RELIEF - 2

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1 quickly, raising more than \$211 million in capital and deploying those funds toward  
2 real estate investments. By early 2023, the Debtors employed more than 35  
3 employees in its headquarters based in Bellevue, Washington.

4 7. The Debtors invested in two categories of real estate, across two  
5 divisions of operations known as the “Portfolio Business” and the “Vault Business.”  
6 The Portfolio Business is the oldest of the Debtors’ business lines, focusing on  
7 development opportunities for multifamily real estate projects. The Vault Business  
8 was started in 2018 for the purpose of investing in standalone real estate investments  
9 that have the potential to be or already were cash flow positive. On the Petition  
10 Date, the Debtors owned or controlled a total of 13 real estate properties, spread  
11 across both Businesses.

12 8. The Debtors’ growth was financed largely through indebtedness. By  
13 November 2022, total indebtedness reached \$230 million with reported consolidated  
14 assets of \$93 million. At the same time, the national and state economies were  
15 experiencing significant disruption, with slowing growth, escalating inflation rates,  
16 and successive increases in interest rates. The Debtors were no longer able to service  
17 their ongoing debts.

18 9. The Debtors’ liquidity continued to decline, and on April 15, 2023, the  
19 Debtors terminated substantially all of their employees. Between March and July  
20 2023, the Debtors attempted to find ways to raise liquidity and address their  
21 obligations out of court. Those efforts were ultimately unsuccessful. On July 14,  
22 2023, the Debtors engaged the services of Paladin Management Group (“Paladin”)  
23 to assist in evaluating options for addressing their liquidity needs and/or  
24 restructuring their obligations.

25 10. On September 28, 2023, Mr. Christensen resigned all positions with the  
26 Debtors, and Lance Miller of Paladin was appointed Chief Restructuring Officer

1 with full and exclusive control and authority over the Debtors and the prosecution  
2 of these Chapter 11 Cases.

3 11. Additional information about the Debtors' historical business  
4 operations, capital structure, and the events leading up to the commencement of  
5 these Chapter 11 Cases, is set forth in the contemporaneously-filed *Declaration of*  
6 *Lance Miller in Support of First Day Motions* (the "First Day Declaration"), which  
7 is incorporated herein by reference.

8 **III. LEGAL ARGUMENT.**

9 **A. An Extension of Time to File the Schedules and SOFAs is**  
10 **Appropriate.**

11 The Debtors respectfully request an extension of approximately 30 days,  
12 through and including November 15, 2023, of the deadline by which to file their  
13 Schedules and SOFAs. The current deadlines automatically imposed by the  
14 Bankruptcy Rules are 14 days following the Petition Date, or October 13 and 16,  
15 2023, as applicable. However, as set forth in the First Day Declaration, the Debtors  
16 and their professionals have been and continue to be focused on stabilizing their  
17 business in the wake of the filing of numerous lawsuits, the recent change of  
18 management, the appointment of the Debtors' Chief Restructuring Officer, and the  
19 emergent filing of these Chapter 11 Cases, as well as addressing issues surrounding  
20 or caused by the foregoing. Paladin is also in the process of reviewing and verifying  
21 the information in the Debtors' books and records, which is of course integral to the  
22 process of preparing Schedules and SOFAs. Accordingly, the Debtors respectfully  
23 submit that an extension of time to file their Schedules and SOFAs is warranted under  
24 the circumstances.

25 Bankruptcy Rule 1007(c) provides that "any extension of time to file  
26 schedules, statements, and other documents . . . may be granted only on motion for

EMERGENCY MOTION TO EXTEND DEADLINE  
TO FILE SCHEDULES AND STATEMENTS AND  
RELATED RELIEF - 4

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1 cause shown and on notice to the United States Trustee, any committee elected under  
2 § 705 or appointed under § 1102 of the Code, trustee, examiner, or other party as the  
3 court may direct.” As discussed above, there is more than adequate cause to grant  
4 the requested extension in these Chapter 11 Cases.

5 Moreover, the relief requested herein is routine in this District, and similar  
6 relief has been granted by this Court. *See, e.g., In re Easterday Ranches, Inc. et al.*,  
7 Case No. 21-00141 (ECF 139) (granting extension of deadline to file Schedules and  
8 SOFAs); *In re Astria Health, et al.*, Case No. 19-01189-11 (ECF 41) (Bankr. E.D.  
9 Wash. May 7, 2019) (same); *In re Nw. Health Sys., Inc.*, No. 98, Case No. 15-02968  
10 (ECF 96) (Bankr. E.D. Wash. Oct. 6, 2015) (same).

11 Notwithstanding the issues described above, the Debtors are in the process of  
12 preparing their Schedules and SOFAs. However, given that the Debtors and the  
13 Chief Restructuring Officer have been focused on various matters critical to the  
14 Debtors’ business and the administration of these Chapter 11 Cases, the Debtors  
15 require additional time to prepare and file the Schedules and SOFAs.

16 If the Debtors are forced to file their Schedules and SOFAs by the filing  
17 deadlines set forth in the Bankruptcy Rules, it is very likely that the Debtors will have  
18 to later revise or amend the Schedules and SOFAs. Doing so will require the Debtors  
19 and their professionals to spend additional time and effort and ultimately increase the  
20 administrative expenses of the Debtors’ estates.

21 For the foregoing reasons, the Debtors respectfully request an extension of  
22 their deadlines by which they must file their Schedules and SOFAs for  
23 approximately 30 days, through and including November 15, 2023.

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EMERGENCY MOTION TO EXTEND DEADLINE  
TO FILE SCHEDULES AND STATEMENTS AND  
RELATED RELIEF - 5

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1           **B. Notice of this Motion is Proper Under the Circumstances.**

2           Pursuant to LBR 1007-1(a), a debtor in possession desiring an extension of  
3 time to file schedules and statements must give the Office of the United States Trustee  
4 (the “UST”) and any examiner or creditors’ committee appointed in the case seven  
5 days’ notice and a hearing. Here, the Debtors have provided notice of this Motion  
6 to: (i) the UST; (ii) the Internal Revenue Service; (iii) the Office of the United States  
7 Attorney General for the District of Washington; (iv) the United States Securities and  
8 Exchange Commission; (v) the State of Washington Department of Financial  
9 Institutions, Securities Division; (vi) the Washington State Department of Revenue;  
10 (vii) the proposed DIP lender and counsel thereto; and (viii) those creditors holding  
11 the thirty (30) largest unsecured claims against the Debtors’ estates (on a consolidated  
12 basis). No examiners or creditors’ committees have been appointed at this early stage  
13 of these Chapter 11 Cases.

14           With the UST having notice of this Motion, and in light of the nature of the  
15 relief requested herein, the Debtors submit that no other or further notice is necessary,  
16 and respectfully request that the Court grant this Motion, notwithstanding the timing  
17 requirements of LBR 1007-1(a).

18           **IV. CONCLUSION.**

19           WHEREFORE, the Debtors respectfully request that the Court grant the relief  
20 requested in this Motion and such other and further relief as the Court may deem just  
21 and proper.

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EMERGENCY MOTION TO EXTEND DEADLINE  
TO FILE SCHEDULES AND STATEMENTS AND  
RELATED RELIEF - 6

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DATED this 2nd day of October, 2023.

/s/ Dakota Pearce  
DAKOTA PEARCE (WSBA 57011)

BERNARD D. BOLLINGER, JR. (*pro hac vice*  
pending)  
JULIAN I. GURULE (*pro hac vice* pending)  
KHALED TARAZI (*pro hac vice* pending)  
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